

## **EXHIBIT J**

Coram Healthcare Corporation

Exhibit J

Summary of Mitigating Factors

Item	Amount
November 1999 interest forbearance	\$11 million
Unpaid Crowley compensation	\$16.8 million
2004 noteholder payment	\$56 million
Total	\$83.8 million

## **EXHIBIT K**

**CORAM HEALTHCARE CORPORATION**  
**Balance Sheet**  
December 31, 1999 to December 31, 2003

	1999	2000	2001	2002	2003
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 6,633	\$ 27,259	\$ 21,339	\$ 30,591	\$ 38,449
Cash limited as to use	613	387	269	217	84
Accounts receivable	106,935	77,387	88,567	103,498	107,620
Inventories	22,966	12,796	13,557	13,160	12,715
Deferred income taxes, net	364	428	178	107	110
Prepaid reorganization costs	-	-	-	-	-
Other current assets	5,614	4,759	4,823	5,658	5,831
<b>Total Current Assets</b>	<b>143,125</b>	<b>123,016</b>	<b>128,733</b>	<b>153,231</b>	<b>164,809</b>
<b>OTHER ASSETS</b>					
Property and equipment, net	22,198	15,292	15,030	10,439	13,197
Deferred income taxes, net	1,481	1,697	719	449	463
Other assets	6,548	3,068	4,843	5,064	5,428
Other deferred costs	13,337	8,448	6,270	5,270	4,760
Goodwill, net of accumulated amortization	216,062	193,855	180,871	57,186	57,186
<b>Total Other Assets</b>	<b>259,626</b>	<b>222,360</b>	<b>207,733</b>	<b>78,408</b>	<b>81,034</b>
<b>Total Assets</b>	<b>\$ 402,751</b>	<b>\$ 345,376</b>	<b>\$ 336,466</b>	<b>\$ 231,639</b>	<b>\$ 245,843</b>

CORAM HEALTHCARE CORPORATION  
 Balance Sheet  
 December 31, 1999 to December 31, 2003

	1999	2000	2001	2002	2003
--	------	------	------	------	------

## LIABILITIES &amp; EQUITY

Current Liabilities					
Accounts payable	\$ 37,600	\$ 21,450	\$ 23,840	\$ 27,986	\$ 29,171
Accrued compensation	11,273	24,598	26,349	23,882	23,723
Interest payable	5,100	4	-	-	-
Current maturities of long-term debt	390	179	60	61	1,712
Insurance note payable	-	-	-	-	-
Income taxes payable	240	773	316	3,280	4,519
Deferred income taxes	419	52	462	556	573
Reserve for litigation	-	-	-	-	-
Accrued merger and restructuring	7,392	2,301	583	190	55
Accrued reorganization costs for admin professionals	-	4,831	7,615	7,610	8,596
Net liabilities of discontinued operations	-	-	-	-	-
Other accrued liabilities	9,666	6,845	6,363	8,479	12,363
Other current liabilities	-	-	-	-	-
Total current liabilities not subject to compromise	72,080	61,033	65,586	72,044	80,712
Total current liabilities subject to compromise	-	159,127	139,346	15,630	16,846
Total Current Liabilities	72,080	220,160	204,934	87,674	97,558

**CORAM HEALTHCARE CORPORATION**  
**Balance Sheet**  
December 31, 1999 to December 31, 2003

	1999	2000	2001	2002	2003
<b>Long-term Liabilities</b>					
Long-term debt	302,662	24	150	73	2,206
Minority interest in consolidated joint ventures	1,652	5,978	6,290	6,215	6,510
Income taxes payable	-	-	17,784	15,600	15,615
Other liabilities	14,092	13,630	1,901	4,095	4,242
Deferred income tax	1,427	2,073	435	-	-
Net liabilities of discontinued operations	32,537	26,533	26,783	27,275	27,161
Commitments and contingencies	-	-	-	-	-
Total Long-term Liabilities	<u>352,370</u>	<u>48,238</u>	<u>53,343</u>	<u>53,258</u>	<u>55,734</u>
Total Liabilities	<u>424,450</u>	<u>268,398</u>	<u>258,277</u>	<u>140,982</u>	<u>153,292</u>
<b>Stockholders' Equity</b>					
Preferred stock	-	-	-	-	-
Common stock	50	50	50	50	50
Additional paid-in capital	427,399	427,357	427,353	427,354	427,526
Accumulated deficit	(449,148)	(350,429)	(349,214)	(336,697)	(335,025)
Total Stockholders' Equity (deficit)	<u>(21,699)</u>	<u>76,978</u>	<u>78,189</u>	<u>90,707</u>	<u>92,551</u>
Total Liabilities & Equity	<u>\$ 402,751</u>	<u>\$ 345,376</u>	<u>\$ 336,466</u>	<u>\$ 231,639</u>	<u>\$ 245,843</u>

Source: Coram Healthcare Corp.'s 10-K's

**CORAM HEALTHCARE CORPORATION**  
 Income Statement  
 December 31, 1999 to 2003

	1999	2000	2001	2002	2003
<b>Revenue</b>					
Net revenue	\$ 521,196	\$ 464,820	\$ 393,629	\$ 433,470	\$ 476,496
Cost of service	408,878	341,656	279,275	309,338	344,356
<b>Gross Profit</b>	<b>112,318</b>	<b>123,164</b>	<b>114,354</b>	<b>124,132</b>	<b>132,140</b>
 <b>Operating Expenses</b>	 	 	 	 	 
Selling, general and administrative expenses	96,809	90,329	83,836	91,304	93,355
Provision for estimated uncollectible accounts	28,310	9,773	17,533	15,887	19,813
Amortization of goodwill	10,784	10,227	9,822	-	-
Restructuring costs	5,831	(322)	(679)	(113)	(59)
Losses on impairments of long-lived assets	9,100	8,323	3,255	51,783	-
Total operating expenses	150,834	118,330	113,767	158,861	113,129
Operating income (loss)	(38,516)	4,834	587	(34,729)	19,011
 <b>Other Income (expenses)</b>	 	 	 	 	 
Interest expense	(29,763)	(26,788)	(6,652)	(1,566)	(1,652)
Interest income	655	991	1,216	436	329
Other income (net)	405	2,473	55	1,003	(443)
Gain on sales of businesses	-	18,649	-	46	-
Gains (losses) on dispositions of property and equipment, net	(107)	(224)	1	3	(10)
Equity in net income of unconsolidated joint ventures	442	759	730	1,504	1,196
Income (loss) from continuing operations before reorganization	(66,884)	694	(4,063)	(33,303)	18,391

**CORAM HEALTHCARE CORPORATION**  
**Income Statement**  
**December 31, 1999 to 2003**

	1999	2000	2001	2002	2003
Reorganization expenses, net	(8,264)	14,397	4,275		15,655
Loss of continuing operations before income tax and minority interests	(66,884)	(7,570)	(18,460)	(37,578)	2,736
Income tax expense	440	250	150	71	245
Minority interests in net income of consolidated joint ventures	1,470	571	631	764	731
Income (loss) from continuing operations after income tax and minority interests	(68,794)	(8,391)	(19,241)	(38,413)	1,760
Discontinued Operations					
Loss from operations	(28,411)				
Loss from disposal	(17,618)	(662)	(250)	(685)	(88)
Extraordinary gain on troubled debt restructuring					
Cumulative effect of a change in accounting principle	107,772	20,706	123,517		
Net Profit (Loss)	<u>\$ (114,823)</u>	<u>\$ 98,719</u>	<u>\$ 1,215</u>	<u>\$ 12,517</u>	<u>\$ 1,672</u>

Source: Coram Healthcare Corp.'s 10K's

**CORAM HEALTHCARE CORPORATION**  
**Statement of Cash Flows**  
**December 31, 1999 to December 31, 2002**

	1999	2000	2001	2002	2003
Net loss from continuing operations	(68,794)	(8,391)	(19,241)	(38,433)	1,760
Net cash provided by (used in) continuing operations before reorganization expenses	(9,468)	44,144	14,193	19,561	28,960
Net cash used by reorganization items, net	-	(1,581)	(10,776)	(5,195)	(14,669)
Net cash provided by continuing operations (net of reorganization items)	(9,468)	42,563	3,417	14,366	14,291
Net cash provided by (used in) investing activities	(7,269)	37,797	(7,513)	(4,427)	(5,764)
Net cash provided by (used in) financing activities	43,353	(56,003)	(1,824)	(494)	(467)
Net increase (decrease) in cash from continuing operations	26,616	24,357	(5,920)	9,445	8,060
Net cash provided by (used in) discontinued operations	(20,186)	(3,731)	-	(193)	(202)
Net and cash equivalents at beginning of year	203	6,633	27,259	21,339	30,591
Cash and cash equivalents at end of year	6,633	27,259	21,339	30,591	<u>38,449</u>

Source: Coram Healthcare Corp's 10K's

## **EXHIBIT L**

**Coram Healthcare Corporation  
Exhibit L  
Information Considered**

**Legal documents:**

- Complaint dated December 29, 2004, with exhibits
- Plaintiff's Answers to Defendant Crowley's First Set of Interrogatories dated December 20, 2006
- Motion of Trustee for Authorization to Enter Into Termination and Employment Extension Agreement with Daniel Crowley dated January 24, 2003
- Bankruptcy Court Opinion dated October 5, 2004
- Bankruptcy Court Order Confirming Plaintiff's Second Amended Joint Plan of Reorganization dated October 27, 2004
- Opening Brief in Support of the Outside Director Defendants' Motion to Dismiss dated March 4, 2005
- Declaration of Peter J. Walsh, Jr. in Support of the Outside Director Defendants' Motion to Dismiss dated March 4, 2005, with exhibits
- Plaintiff's Answering Brief in Opposition to Defendants' Motion to Transfer Venue dated March 8, 2005, with exhibits
- Defendant Crowley's Opening Brief in Support of his Motion for Summary Judgment dated May 5, 2005
- Settlement Agreement dated April 5, 2006 regarding outside directors
- Opening Brief of Defendant Crowley in Support of Motion for Summary Judgment dated April 17, 2007
- Memorandum of Plaintiff in Opposition to Motion of Crowley for Summary Judgment dated May 4, 2007
- Reply Brief of Crowley in Support of Motion for Summary Judgment dated May 15, 2007
- Request of Daniel Crowley for Payment of Administrative Expense dated December 30, 2004

Coram Healthcare Corporation  
Exhibit L  
Information Considered (Continued)

Legal documents (continued):

- Stipulated Withdrawal of Request of Daniel Crowley for Payment of Administrative Expense Claim dated December 29, 2005

Valuation reports:

- Report of Independent Restructuring Advisor Goldin Associates, LLC dated July 11, 2001
- Chanin Capital Partners Presentation dated July 31, 2000
- Updated Report of Independent Restructuring Advisor Goldin Associates, LLC dated September 4, 2001
- UBS Warburg Plan of Reorganization: Valuation Analysis dated December 11, 2000
- Deloitte & Touche Valuation Analysis as of November 15, 2000
- Chanin Capital Partners Presentation Update dated December 4, 2000
- SSG/Ewing Amended Enterprise Valuation Analysis as of December 11, 2002
- Deloitte & Touche Valuation Analysis as of March 31, 2003
- SSG/Ewing Amended Enterprise Valuation Analysis as of June 30, 2003
- Deloitte & Touche Valuation Analysis as of August 29, 2003
- Chanin Capital Partners Preferred Stock Valuation Presentation dated February 20, 2001
- Deutsche Bank fairness letter dated June 9, 2000

**Coram Healthcare Corporation  
Exhibit L  
Information Considered (Continued)**

**Expert reports:**

- Report of Daniel R. Fischel Concerning Expert Testimony to be Given on Behalf Of the Equity Committee dated November 13, 2001
- Report of Daniel R. Fischel dated September 10, 2003
- Expert Report of David Tabak dated March 31, 2004
- Expert Report of David Tabak dated October 4, 2006
- Report of Mercer Capital Management, Inc. dated August 4, 2006
- Rebuttal Report of Mercer Capital Management, Inc. dated October 23, 2006
- Expert Report of Jerome J. Shestack, Esquire dated August 29, 2003
- Expert Report of Jerome J. Shestack, Esquire dated September 8, 2003
- Expert Report of Jerome J. Shestack, Esquire dated October 4, 2006
- Expert Report of Michael L. Temin dated October 3, 2006
- Expert Report of J. Scott Victor dated June 8, 2007
- Expert Report of Jeffrey L. Baliban dated June 11, 2007

**Financial reports:**

- Coram Healthcare Corporation Forms 10-Q for the quarterly periods ended March 31, June 30, and September 30, 1999
- Coram Healthcare Corporation Form 10-K for the fiscal year ended December 31, 1999
- Coram Healthcare Corporation Forms 10-Q for the quarterly periods ended March 31, June 30, and September 30, 2000
- Coram Healthcare Corporation Form 10-K for the fiscal year ended December 31, 2000

**Coram Healthcare Corporation  
Exhibit L  
Information Considered (Continued)**

**Financial reports (continued):**

- Coram Healthcare Corporation Forms 10-Q for the quarterly periods ended March 31, June 30, and September 30, 2001
- Coram Healthcare Corporation Form 10-Q/A for the quarterly period ended September 30, 2001
- Coram Healthcare Corporation Form 10-K for the fiscal year ended December 31, 2001
- Coram Healthcare Corporation Forms 10-Q for the quarterly periods ended March 31, June 30, and September 30, 2002
- Coram Healthcare Corporation Form 10-K for the fiscal year ended December 31, 2002
- Coram Healthcare Corporation Form 10-K/A for the fiscal year ended December 31, 2002
- Coram Healthcare Corporation Forms 10-Q for the quarterly periods ended March 31, June 30, and September 30, 2003
- Coram Healthcare Corporation Form 10-Q/A for the quarterly period ended March 31, 2003
- Coram Healthcare Corporation Form 10-K for the fiscal year ended December 31, 2003
- Coram Healthcare Corporation Form 8-K for the period ended December 1, 2004

**Deposition testimony:**

- Deposition of David Tabak dated April 2, 2004
- Deposition of David Tabak dated November 9, 2006
- Deposition of Z. Christopher Mercer dated November 16, 2006
- Deposition of Daniel R. Fischel dated December 13, 2001

Coram Healthcare Corporation  
Exhibit L  
Information Considered (Continued)

*Deposition testimony (continued):*

- Deposition of Daniel R. Fischel dated October 13, 2003
- Deposition of Harrison Jay Golden dated October 4, 2001
- Deposition of Harrison Jay Golden dated October 5, 2001
- Deposition of Jerome Shestack dated November 14, 2003
- Deposition of Jerome Shestack dated November 18, 2003
- Deposition of Jerome Shestack dated November 10, 2006
- Deposition of Arlin M. Adams dated March 27, 2007
- Deposition of Arlin M. Adams dated March 28, 2007
- Deposition of Christina Morrison dated March 26, 2007
- Excerpt from Deposition of Scott R. Danitz dated April 6, 2007
- Deposition of Jeffrey Baliban dated July 17, 2007

*Other information:*

- Applications to Bankruptcy Court for compensation for services rendered and reimbursement of expenses from various consultants in regard to the Coram bankruptcy proceedings
- Financial Accounting Standards Board Statement of Financial Standards No. 157
- Schnader Harrison letter of December 24, 2002 regarding extension of Crowley employment
- Schnader Harrison letter of January 7, 2003 regarding extension of Crowley employment
- Baliban workpapers, Bates 000001 to 003903

## **EXHIBIT L**

**NERA**  
Economic Consulting

National Economic Research Associates, Inc.  
1166 Avenue of the Americas  
New York, New York 10036  
+1 212 345 3000 Fax +1 212 345 4650  
jeffrey.baliban@nera.com  
www.nera.com

July 2, 2007

Jennifer Nestle, Esq.  
Schnader, Harrison, Segal & Lewis, LLP  
1600 Market Street  
Suite 3600  
Philadelphia, PA. 19103

**RE: ADAMS v. CROWLEY, ET AL**

Dear Ms. Nestle:

With regard to the above-captioned matter, we understand that Arlin M. Adams is the Chapter 11 Trustee of the Post-Confirmation Bankruptcy Estates of Coram Healthcare Corporation and Coram, Inc. (collectively "Coram"). Daniel D. Crowley was Chairman and Chief Executive Officer of Coram from November 1999 until March 2003. On August 8, 2000, less than ten months after Mr. Crowley became CEO, Coram filed its Chapter 11 petition along with its first Plan of Reorganization. On December 21, 2000, the Bankruptcy Court denied confirmation of this First Plan, citing a conflict of interest on the part of Mr. Crowley by virtue of his relationship with one of Coram's creditors. The Bankruptcy Court ultimately confirmed Coram's Plan of Reorganization in November 2004 and Coram exited bankruptcy as of December 1, 2004, nearly four years after confirmation of its initial plan was denied.

You have asked us to assume that, but for Mr. Crowley's conflict issue, the initial Plan of Reorganization would have been accepted by the Court, and that Coram would have exited bankruptcy by year-end 2000. Instead, its exit had been delayed until December 1, 2004. Aside from the incurrence of additional out-of-pocket bankruptcy and reorganization costs during this four-year delay, the value of the entity that emerged from bankruptcy in December

BALIBAN 002847  
Adams v. Crowley  
USDC-DE #04-1565

 MMC Marsh & McLennan Companies

**NERA**  
Economic Consulting

Jennifer Nestle, Esq.  
September 13, 2005  
Page 2

2004 was worth approximately \$91 million less than what Coram would have been worth at December 2004 had it exited bankruptcy by year-end 2000.

**A. Methodology**

In theory, the value of an interest in a business depends on the future benefits that will accrue to it, with the value of the future benefits discounted back to a present value at some appropriate discount (capitalization) rate.<sup>1</sup>

We estimate Coram's annual cash flows, on a debt-free basis, at December 31 of both 2000 and 2003, based on information in the 2000 and 2003 SEC Form 10-Ks, respectively (since no 10-K was issued in 2004 we base our Actual Exit estimates on the year-end 2003 reported data). Each of these amounts is then grown at a risk-free rate to yield estimated twelve-months-ended debt-free cash flows at year-end 2005. See calculations on Exhibit 1 (attached).

We then estimate the enterprise value of Coram at the end of 2004 as the present value of next-period debt-free cash flows capitalized into the future, using a single-period capitalization technique. A capitalization rate is simply the reciprocal of a discount rate, adjusted for growth. We estimated Coram's equity cost of capital (*i.e.*, its discount rate) based the Capital Asset Pricing Model. See calculations on Exhibit 3.

<sup>1</sup> Pratt, Shannon P., Valuing a Business, The Analysis and Appraisal of Closely Held Companies, Second Edition, Business One Irwin, Homewood, IL, page 35.

**NERA**

Economic Consulting

Jennifer Nestle, Esq.

September 13, 2005

Page 3

Sincerely yours,

Jeffrey L. Baliban

**BALIBAN 002849**  
Adams v. Crowley  
USDC-DE #04-1565